



FINANCIAL STATEMENTS
for the half year ended December, 31
(Un-audited/Reviewed)

2025

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Muhammad Javed Iqbal (Chairman)

Mian Muhammad La tif (Chief Executive Officer)

Mr. Muhammad Naeem

Mr. Muhammad Farhan Latif

Mr. Tariq Ayub Khan

Mr. Maqsood UI Hassan

Mr. Muhammad Hashim

Mr. Muhammad Salman Javed

Mrs. Sobia Chughtai (Nominee Director)

CHIEF FINANCIAL OFFICER

Mr. Sadaquat Hussain

COMPANY SECRETARY

Mr. Muhammad Arshad

LEGAL ADVISOR

Mian Masroor Akbar (Advocate)

SHARE REGISTRAR

F.D. Registrar Services (Pvt.) Limited,
Office # 1705, 17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Tel :021-32271905-6/021-354 78192-3

REGISTERED OFFICE

Nishatabad, Faisalabad.
Tel:+92 41 8754472-8
Fax:+92 41 8752400, 8752700

WEBSITE

Email:- chenab@chenabgroup.com

Website:-www.chenabgroup.com

WORKS

- Processing & Stitching Units - Nishatabad, Fsd.
- Weaving Unit- Shahkot, Distt: Nankana Sahib.

BANKS

Allied Bank Limited.
Askari Bank Limited.
Al Baraka Bank (Pakistan) Limited.
Bank Islami Limited.
Citibank, N.A.
Faysal Bank Limited.
First Credit & Investment Bank Limited.
First National Bank Modaraba.
First Punjab Modaraba.
Habib Bank Limited.
Habib Metropolitan Bank Limited.
MCB Bank Limited.
National Bank of Pakistan.
Orix Leasing (Pakistan) Limited.
Pak Oman Investment Company Limited.
Pak Kuwait Investment Company (Pvt.) Limited.
Pak Libya Holding Company (Pvt.) Limited.
Saudi Pak Industrial & Agricultural Investment
Company (Pvt.) Ltd.
Standard Chartered Bank (Pakistan)
Limited.
The Bank of Punjab.
United Bank Limited.

AUDIT COMMITTEE

Mr. Tariq Ayub Khab - Chairman
Mr. Muhammad Hashim - Member
Mr. Muhammad Salman Javed - Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Maqsood ul Hassan - Chairman
Mr. Muhammad Naeem - Member
Mr. Muhammad Salman Javed - Member

AUDITORS

RSM Avais Hyder Liaquat Nauman
Chartered Accountants.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are placing before you the un-audited/reviewed financial statements together with notes for the half year ended December 31, 2025.

Figures of corresponding period of last year are also presented for comparison. The balance sheet figures as on December 31, 2025 and June 30, 2025 have been shown as required by the International Accounting Standards (IAS) 34 for interim financial reporting.

SALES REVENUE

Sales and services revenue of **Rs. 847.13** million has been earned during the period.

FINANCIAL RESULTS

In view of unfavorable business circumstances, the Company sustained a financial loss of **Rs. 304.51** million before levies and income tax during the period under report.

FUTURE PROSPECTS

The recent cuts made by the government to industrial electricity tariffs are expected to reduce production costs. However, despite this reduction, Pakistan's industrial electricity rates remain the highest among its key competitors. However, the anticipated reduction in electricity tariffs, along with lower export finance markup rates, is likely to serve as a modest step toward creating a more competitive and balanced environment for Pakistan's textile industry.

The Company requests its banking partners to provide enhanced export financing limits to enable it to capitalize on available opportunities amid current financial constraints. The sponsors remain committed to injecting funds to support working capital requirements.

ON GOING CONCERN

The company has succeeded in paying all installments of the long term loan which have become due till 30-09-2025 as per the repayment schedule of the approved Scheme of Arrangement. As regards payment of installments for the next year the management has already requested their secured creditors for the sale of some other non-core assets of the company. The said sale of assets request is under active consideration by the secured creditors. The sale proceeds of these assets will be fully utilized toward forthcoming installments of long term loan.

On top of injection of Rs.827.60 million till June 30, 2025, the sponsors have further injected Rs.129.67 million fresh capital as directors' loan during the period. In the years ahead, sponsors have further been keen to pump the funds in order to meet the working capital requirement of the company. The management is confident that its banks will also support the company by granting export based finance limits. We believe that all the above actions result in increased revenue and improved profitability and will allow us to overcome current challenges, capitalize on market opportunities, and ultimately secure the company's going concern status for the foreseeable future.

EXPLANATION TO AUDITORS OBSERVATION

- a) Majority of the preference shareholders have opted to convert their shares into ordinary shares but the matter is pending with court. Therefore we could not calculate the diluted EPS.
- b) The management is of the view that deferred tax asset will be created and liability will be adjusted subsequently.
- c) The company circulated the confirmation letters to all parties selected by the auditor. The Company remained non- operational for a long period of time therefore some parties were not responding which was beyond our control.
- d) The company is hopeful that it will receive the outstanding amount. The company's management is now following up with the customers for the recovery. Therefore, need no adjustment in these balances.

ACKNOWLEDGEMENT

The board of directors places on record its appreciation for the support of the shareholders, government agencies and financial institutions.

FAISALABAD
27-02-2026



(MUHAMMAD FARHANLATIF)
DIRECTOR

For and on behalf
BOARD OF DIRECTORS



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز:-

ڈائریکٹرز آپ کے سامنے 31 دسمبر 2025 کو اختتام پذیر ہونے والی ششماہی مدت کے لیے غیر آڈٹ شدہ / نظر ثانی شدہ مالی بیانات بمعہ نوٹس پیش کر رہے ہیں۔ گزشتہ سال کی اسی مدت کے اعداد و شمار بھی تقابلی جائزے کے لیے پیش کیے گئے ہیں۔ 31 دسمبر 2025 اور 30 جون 2025 تک کے بیلنس شیٹ کے اعداد و شمار بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ (IAS) 34 برائے عبوری مالیاتی رپورٹنگ کے مطابق ظاہر کیے گئے ہیں۔

فروخت سے حاصل شدہ آمدنی:-

زیر جائزہ مدت کے دوران فروخت اور خدمات سے 847.13 ملین روپے کی آمدنی حاصل ہوئی۔

مالیاتی نتائج:-

غیر موافق کاروباری حالات کے پیش نظر، رپورٹ کے تحت مدت میں کمپنی کو لیویز اور انکم ٹیکس سے قبل 304.51 ملین روپے کا مالی نقصان برداشت کرنا پڑا۔

مستقبل کا کیفیت نامہ:-

حکومت کی طرف سے صنعتی بجلی کے نرخوں میں کمی کی گئی حالیہ کٹوتیوں سے پیداواری لاگت میں کمی کی توقع ہے۔ تاہم اس کمی کے باوجود پاکستان میں صنعتی بجلی کے نرخ اپنے اہم حریف ممالک کے مقابلے میں اب بھی سب سے زیادہ ہیں۔ تاہم، بجلی کے نرخوں میں متوقع کمی اور برآمدی مالیاتی مارک اپ کی کم شرحوں کے ساتھ پاکستان کی ٹیکسٹائل صنعت کے لیے زیادہ مسابقتی اور متوازن ماحول پیدا کرنے کی جانب ایک مثبت قدم ثابت ہو سکتی ہے۔

کمپنی اپنے بینکاری شراکت داروں سے درخواست کرتی ہے کہ موجودہ مالی دباؤ کے پیش نظر دستیاب مواقع سے فائدہ اٹھانے کے لیے برآمدی فنانشنگ کی حد میں اضافہ کیا جائے۔ اسپانسرز ورکنگ کمیٹی کی ضروریات پوری کرنے کے لیے فنڈز فراہم کرنے کے عزم پر قائم ہیں۔

جاری تشویش:-

کمپنی نے منظور شدہ اسکیم آف رینجمنٹ کے تحت مقررہ ادائیگی شیڈول کے مطابق 09-30-2025 تک واجب الادا طویل مدتی قرض کی تمام اقساط ادا کر دی ہیں۔ آئندہ سال کی اقساط کی ادائیگی کے سلسلے میں انتظامیہ نے پہلے ہی اپنے محفوظ قرض دہندگان سے کمپنی کے بعض غیر بنیادی اثاثوں کی فروخت کی اجازت طلب کر رکھی ہے۔ مذکورہ درخواست محفوظ قرض دہندگان کے زیر غور ہے۔ ان اثاثوں کی فروخت سے حاصل ہونے والی رقم مکمل طور پر طویل مدتی قرض کی آئندہ اقساط کی ادائیگی کے لیے استعمال کی جائے گی۔

30 جون 2025 تک 827.60 ملین روپے کی سرمایہ کاری کے علاوہ، اسپانسرز نے دوران مدت مزید 129.67 ملین روپے بطور ڈائریکٹرز قرض تازہ سرمایہ فراہم کیا ہے۔ آئندہ برسوں میں بھی اسپانسرز کمپنی کی ورکنگ کمیٹی کی ضروریات پوری کرنے کے لیے مزید فنڈز فراہم کرنے کے رضامند ہیں۔ انتظامیہ پُر اعتماد ہے کہ بینک بھی ایکسپورٹ بیسڈ فنانشنگ کی حدود منظور کر کے کمپنی کا ساتھ دیں گے۔ ہمیں یقین ہے کہ مذکورہ اقدامات سے آمدنی میں اضافہ اور منافع میں بہتری آئے گی اور ہم موجودہ چیلنجز پر قابو پا کر مارکیٹ کے مواقع سے فائدہ اٹھاتے ہوئے کمپنی کی جاری ادارہ حیثیت کو مستحکم کر سکیں گے۔

آڈیٹرز کے مشاہدات کی وضاحت :-

- (a) - اکثریتی ترجیحی حصص یافتگان نے اپنے حصص کو عام حصص میں تبدیل کرنے کا اختیار استعمال کیا ہے، تاہم معاملہ عدالت میں زیر التواء ہے، لہذا ہم کمزوری پی ایس کا حساب نہیں لگا سکے۔
- (b) - انتظامیہ کی رائے ہے کہ موثر ٹیکس اثاثہ تشکیل پائے گا اور متعلقہ واجبات بعد ازاں ایڈجسٹ کر دیے جائیں گے۔
- (c) - کمپنی نے آڈیٹر کی جانب سے منتخب تمام فریقین کو تصدیقی خطوط ارسال کیے۔ چونکہ کمپنی طویل عرصہ غیر فعال رہی، اس لیے بعض فریقین کی جانب سے جواب موصول نہیں ہوا جو کہ ہمارے اختیار سے باہر تھا۔
- (d) - کمپنی کو امید ہے کہ بقایا واجبات وصول ہو جائیں گے۔ انتظامیہ وصولیوں کے لیے صارفین سے مسلسل رابطے میں ہے، لہذا ان بیننسز میں کسی ایڈجسٹمنٹ کی ضرورت نہیں۔

تسلیم و تحسین :-

بورڈ آف ڈائریکٹرز حصص یافتگان، سرکاری اداروں اور مالیاتی اداروں کی حمایت کے لیے اپنی قابلیت پر یقین رکھتے ہیں۔


(میاں محمد لطیف)
چیف ایگزیکٹو آفیسر

(حسب الحکم بورڈ آف ڈائریکٹرز)

(محمد فرحان لطیف)
ڈائریکٹر

فیصل آباد

27 فروری 2026ء

INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF CHENAB LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Chenab Limited (the Company) as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

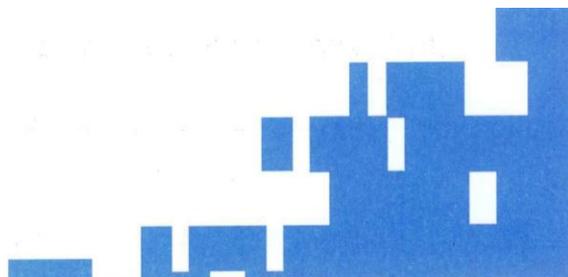
We conducted our review in accordance with International Standards on Review Engagements 2410, “*Review of Interim Financial Information performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- (a) As disclosed in note 5 to the annual financial statements for the year ended June 30, 2025 the company had issued cumulative, redeemable preference shares of Rs.800 million (currently outstanding Rs.500 million) containing put option and has not complied with the requirement of IFRS-9 with respect to accounting treatment of Compound Financial instruments since prior periods, which constitutes a departure from the said IFRS. Preference shares with a put option carries the dilutive effect as per IAS 33 - Earnings per Share. The above mentioned accounting treatment restricts the true and fair presentation of these condensed interim financial statements;
- (b) The deferred tax liability of Rs. 339.62 million (June 30, 2025: Rs. 432.75 million) has not been provided in the condensed interim financial statements. Had the provision been made, the loss for the period would have been increased by Rs 339.62 million (June 30, 2025: Rs. 432.75 million) and accumulated loss by Rs. 339.62 million (June 30, 2025: Rs. 432.75 million);
- (c) Trade creditors' of Rs. 197.74 million (June 30, 2025: Rs. 213.32 million) and 'Contract liabilities' of Rs. 31.61 million (June 30, 2025: Rs. 26.67 million) under head "Trade and other payables" include old outstanding balances which could not be verified on the basis of our review procedures. The effect of adjustments, had the liability been verified, could not be determined;
- (d) Trade debts of Rs. 19.09 million (June 30, 2025: Rs. 13.36 million) and Advances to suppliers of Rs. 56.59 million (June 30, 2025: Rs. 34.12 million) are long outstanding balances. These outstanding balances, in our opinion are impaired against which no provision has been made. Had the provision been made, the loss for the period would have been increased by Rs 75.68 million (June 30, 2025: Rs. 47.48 million) and accumulated loss by Rs. 75.68 million (June 30, 2025: Rs. 47.48 million).

Qualified Conclusion

Based on our review, except for the matters described in the "*Basis for Qualified Conclusion*" section, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



Material Uncertainty relating to going concern

The company suffered financial difficulties. These conditions as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three month period ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Hamid Masood.

A handwritten signature in dark ink, reading 'RSM Avais Hyder Liaquat Nauman', is written in a cursive style.

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

Place: Faisalabad

Date: 27-02-2026

UDIN:RR202510194WcGbFxSlm



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025**

		(Un-audited) December 31, 2025	(Audited) June 30, 2025		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	Note	Rupees	Rupees		Rupees	Rupees
EQUITY AND LIABILITIES				ASSETS		
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS		
Authorised capital				Property, plant and equipment		
120,000,000 ordinary shares of Rs.10/- each		<u>1,200,000,000</u>	<u>1,200,000,000</u>	Operating assets	7	8,870,927,198
80,000,000 cumulative preference shares of Rs.10/- each		<u>800,000,000</u>	<u>800,000,000</u>	Investment Property		476,514,390
				Long term deposits		<u>13,418,150</u>
						<u>9,360,859,738</u>
						<u>8,932,371,161</u>
						<u>481,450,363</u>
						<u>13,418,150</u>
						<u>9,427,239,674</u>
Issued, subscribed and paid up capital		1,150,000,000	1,150,000,000			
Cumulative preference shares		500,000,000	500,000,000			
Directors' loan		1,201,584,086	1,071,913,086			
Surplus on revaluation of property, plant and equipment		4,781,109,912	4,814,039,268			
Capital reserves		526,409,752	526,409,752			
Revenue reserves		<u>(8,897,990,155)</u>	<u>(8,614,994,175)</u>			
		(738,886,405)	(552,632,069)			
NON-CURRENT LIABILITIES						
Long term financing	4	7,088,497,615	7,468,611,421			
Deferred revenue		52,928,862	53,638,778			
Deferred interest / markup		827,595,919	744,656,836			
Liabilities against redemption of preference shares		300,000,000	300,000,000			
Deferred liabilities		<u>73,284,511</u>	<u>63,301,845</u>			
		8,342,306,907	8,630,208,880			
CURRENT LIABILITIES				CURRENT ASSETS		
Trade and other payables		1,368,965,286	1,378,669,987	Stores and spares		126,614,025
Unclaimed dividend		366,071	366,071	Stock in trade		128,375,846
Interest / markup payable		3,850,447	3,795,077	Trade debts		177,618,532
Short term bank borrowings	5	168,500,000	182,200,000	Loans and advances		107,539,536
Current portion of long term financing	4	858,988,366	627,562,602	Deposits and prepayments		13,622,183
Provision for taxation - income tax	13	<u>4,269,002</u>	<u>-</u>	Other receivables		8,346,222
		2,404,939,172	2,192,593,737	Tax refunds due from Government		75,052,154
				Cash and bank balances		<u>10,331,438</u>
						<u>647,499,936</u>
						<u>114,948,800</u>
						<u>174,841,332</u>
						<u>223,095,067</u>
						<u>168,622,533</u>
						<u>33,058,433</u>
						<u>18,830,431</u>
						<u>52,830,274</u>
						<u>56,704,004</u>
CONTINGENCIES	6	-	-			
		<u>10,008,359,674</u>	<u>10,270,170,548</u>			<u>10,008,359,674</u>
						<u>10,270,170,548</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Note	Quarter ended December 31,		Half year ended December 31,	
		2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Sales	8	399,427,199	508,387,624	847,133,037	1,425,633,055
Cost of sales	9	437,297,721	550,536,655	919,135,042	1,455,158,760
Gross (loss)		<u>(37,870,522)</u>	<u>(42,149,031)</u>	<u>(72,002,005)</u>	<u>(29,525,705)</u>
Other income	10	18,534,474	55,982,341	28,122,070	130,305,192
		<u>(19,336,048)</u>	<u>13,833,310</u>	<u>(43,879,935)</u>	<u>100,779,487</u>
Operating expenses					
Selling and distribution expenses		2,387,218	39,305,414	8,597,205	99,455,851
Administrative expenses		75,549,365	86,740,705	153,700,709	156,497,822
Finance cost	11	44,059,178	55,773,232	98,328,388	114,043,525
		<u>(121,995,761)</u>	<u>(181,819,351)</u>	<u>(260,626,302)</u>	<u>(369,997,198)</u>
(Loss) for the period before levies and income tax		<u>(141,331,809)</u>	<u>(167,986,041)</u>	<u>(304,506,237)</u>	<u>(269,217,711)</u>
Levies	12	3,609,405	8,050,935	10,631,817	18,636,898
(Loss) before taxation		<u>(144,941,214)</u>	<u>(176,036,976)</u>	<u>(315,138,054)</u>	<u>(287,854,609)</u>
Provision for taxation	13	787,282	1,559,194	787,282	1,559,194
(Loss) for the period		<u>(145,728,496)</u>	<u>(177,596,170)</u>	<u>(315,925,336)</u>	<u>(289,413,803)</u>
(Loss) per share- Basic and diluted		<u>(1.27)</u>	<u>(1.54)</u>	<u>(2.75)</u>	<u>(2.52)</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Quarter ended December 31, 2025 Rupees	2024 Rupees	Half year ended December 31, 2025 Rupees	2024 Rupees
(Loss) for the period	(145,728,496)	(177,596,170)	(315,925,336)	(289,413,803)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	<u>(145,728,496)</u>	<u>(177,596,170)</u>	<u>(315,925,336)</u>	<u>(289,413,803)</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

		Half year ended December 31,	
	Note	2025	2024
		Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the period before levies and income tax		(304,506,237)	(269,217,711)
Adjustments for:			
Depreciation of operating assets	7.1	78,193,303	87,478,510
Depreciation of investment property		4,935,973	5,141,639
Provision for staff retirement gratuity		9,982,666	13,025,674
Gain on disposal of operating assets	10	(1,400,188)	(907,577)
Finance cost	11	98,328,388	114,043,525
Balances written back - net	10	(5,767,344)	(114,139,279)
Fair value adjustment of deferred revenue	10	(709,916)	(622,352)
Operating cash flows before working capital changes		(120,943,355)	(165,197,571)
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(11,665,225)	11,238,001
Stock in trade		46,465,486	10,772,117
Trade debts		45,476,535	307,087,545
Loans and advances		45,537,042	2,543,279
Deposits and prepayments		206,611	(7,730,703)
Other receivables		10,484,209	(2,876,685)
Tax refunds due from Government		2,286,883	19,709,076
		138,791,541	340,742,630
Increase in current liabilities			
Trade and other payables		15,764,218	18,179,407
		154,555,759	358,922,037
Cash generated from operations		33,612,404	193,724,466
Income tax and levies paid		(16,584,839)	(28,454,854)
Finance cost paid		(14,624,020)	(29,865,960)
Net cash generated from operating activities		2,403,545	135,403,652
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating assets	7.1.1	(16,949,153)	(36,508,888)
Proceeds from disposal of operating assets		1,600,000	920,000
Proceeds from disposal of non current assets held for sale		-	(13,000,000)
Net cash (used in) investing activities		(15,349,153)	(48,588,888)

		Half year ended December 31,	
	Note	2025	2024
		Rupees	Rupees
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of loan from director		129,671,000	-
Repayment of :			
Long term financing	4	(149,397,958)	(49,815,097)
(Decrease) in short term bank borrowings	5	(13,700,000)	(57,900,000)
Net cash (used in) financing activities		<u>(33,426,958)</u>	<u>(107,715,097)</u>
Net (decrease) in cash and cash equivalents (a+b+c)		(46,372,566)	(20,900,333)
Cash and cash equivalents at the beginning of the period		56,704,004	81,416,688
Cash and cash equivalents at the end of the period		<u>10,331,438</u>	<u>60,516,355</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Issued, subscribed and paid up capital	Cumulative preference shares	Director's loan	Surplus on property, plant and equipment	Capital reserves			Revenue reserves		Total		
					Premium on issue of ordinary shares	Book difference of capital under scheme of arrangement for amalgamation	Preference shares redemption reserve	Sub total	General reserve		Accumulated loss	Sub total
R u p e e s												
Balance as at July 01, 2024 (Audited)	1,150,000,000	500,000,000	1,053,213,086	4,881,532,753	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,144,851,991)	(8,068,419,157)	42,736,434
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(289,413,803)	(289,413,803)	(289,413,803)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(289,413,803)	(289,413,803)	(289,413,803)
Incremental depreciation on revalued assets for the period	-	-	-	(34,289,362)	-	-	-	-	-	34,289,362	34,289,362	-
Balance as at December 31, 2024 (Unaudited)	1,150,000,000	500,000,000	1,053,213,086	4,847,243,391	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,399,976,432)	(8,323,543,598)	(246,677,369)
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(333,480,779)	(333,480,779)	(333,480,779)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Items that may not be subsequently reclassified to profit or loss:												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	8,826,079	8,826,079	8,826,079
Incremental depreciation on revalued assets for the period	-	-	-	(33,204,123)	-	-	-	-	-	(324,654,700)	(324,654,700)	(324,654,700)
Transaction with owner												
Loan from director	-	-	18,700,000	-	-	-	-	-	-	-	-	18,700,000
Balance as at June 30, 2025 (Audited)	1,150,000,000	500,000,000	1,071,913,086	4,814,039,268	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,691,427,009)	(8,614,994,175)	(552,632,069)
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(315,925,336)	(315,925,336)	(315,925,336)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(315,925,336)	(315,925,336)	(315,925,336)
Incremental depreciation on revalued assets for the period	-	-	-	(32,929,356)	-	-	-	-	-	32,929,356	32,929,356	-
Transaction with owner												
Loan from director	-	-	129,671,000	-	-	-	-	-	-	-	-	129,671,000
Balance as at December 31, 2025 (Unaudited)	1,150,000,000	500,000,000	1,201,584,086	4,781,109,912	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,974,422,989)	(8,897,990,155)	(738,886,405)

The annexed notes from 1 to 18 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

1. GENERAL INFORMATION

1.1 Chenab Limited (the Company) is incorporated as a public limited company under the Companies Ordinance, 1984 (Now Companies Act 2017) and is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Nishatabad, Faisalabad, in the province of Punjab. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. Geographical location and address of business units/plants are following:

Description	Location	Address
Registered/Head Office	Faisalabad	Nishatabad, Faisalabad.
Weaving Unit	Nankana Sahib	7 K.M Main Faisalabad Lahore Road, Kotla Kalo Shahkot, Nankana Sahib.
Processing & Stitching Units	Faisalabad	Main Faisalabad Lahore Road, Nishatabad, Faisalabad.
Stitching Unit	Faisalabad	Jhumra road Gatti, Faisalabad.

1.2 Pursuant to schemes of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Faisal Weaving (Private) Limited, Latif Weaving (Private) Limited and Chenab Finishing (Private) Limited were merged with the Company with effect from December 31, 1998 and assets, liabilities and reserves of Chenab Fibers Limited were merged with the Company with effect from April 01, 2003.

1.3 As at December 31, 2025 the accumulated loss of the Company is Rs. 8,974.42 million (June 30, 2025: Rs. 8,691.43 million), and the current liabilities of the company exceed its current assets by Rs. 1,757.44 million (June 30, 2025: Rs. 1,349.66 million). The Company has not redeemed preference shares on exercise of put options for three consecutive years by holders of preference shares due to tight cash flow situation. The Company was wound up by order of the Honorable Lahore High Court on July 13, 2017, following a creditor's application due to non-compliance with loan covenants. The Company preferred an appeal before the Honorable Supreme Court against this order but leave of appeal was not granted and dismissed vide order dated January 08, 2019 and official liquidator was appointed under the winding up order. SECP has initiated proceedings for investigations under section 257 of Companies Act 2017, (Section 265 of the repealed Companies Ordinance, 1984.) The company has challenged the order and the Honorable Lahore High Court has stayed the proceedings.

To reverse the winding-up proceedings, the Company's sponsors filed a Scheme of Arrangement under section 279 to 283 of the Companies Act, 2017 before the Lahore High Court, Lahore on January 20, 2021. A meeting of shareholders and secured creditors was held on February 22, 2021, under court-appointed chairmanship, where the scheme was approved by 100% of shareholders and 90.40% of secured creditors. The Court approved the scheme on September 14, 2021, and issued the reversal order on October 29, 2021, handing over the control to the management of the Company.

As per the Scheme of Arrangement, the principal debt of Rs. 9,474,972,728/- is split equally into Tier 1 and Tier 2 debts, each amounting to Rs. 4,737,486,364/-. Payment terms and applicable markup are detailed in Note 10 of the annual financial statements, with slight updation in repayment schedules disclosed in the annual published audited financial statements.

The steps mentioned below, pursuant to the scheme of arrangement, have positively impacted the company's financial and operational condition in past years;

- The management successfully disposed of non-core assets within one year from the effective date of the approval of scheme. All required non-core assets were sold for Rs. 1.6 billion exceeding the estimated proceeds of Rs. 1.4 billion and used for servicing loan repayments and to support the company's working capital needs.
- Principal repayments to lenders are rescheduled over 14 years from the effective date, improving financial health and resolving all disputes with lenders.
- To ensure smooth operations, the company applied for additional working capital, from banks as per their agreed share (lead bank and other bank).
- The sponsors injected Rs. 350 million through the sale of personal shares. Additionally, the sponsors injected Rs. 607.27 million as a subordinated loan since its revival.

Reason for non meeting of financial results

The company was unable to meet key assumptions of the financial model under the scheme of arrangement due to a sharp rise in overheads, energy costs, and significant PKR depreciation against the USD. The scheme was approved two years after its initial court submission. Additionally, banks did not fully disburse the agreed Rs. 500 million in working capital support, forcing the company to manage the shortfall through internal sources. These factors hindered the achievement of the projected cash flows and operating results.

Management of upcoming loan installments

Despite the aforementioned factors that hampered achieving the expected results, management is actively working to ensure payment of the upcoming 2026 installments. The company is negotiating with banks for a No Objection Certificate (NOC) to sell non-operational assets expected to generate upto PKR 800 million. Proceeds will be used to pay the upcoming quarterly installments maturing upto June 30, 2026 on a pro-rata basis to all lenders.

Basis for anticipated business improvement

For sustainable operational profitability, the management is confident for the company's improved prospects, driven by the sponsors' confirmed commitment to inject over Rs. 1.5 billion as directors' loans in coming years. During the current period, Rs. 129.67 million has been injected pursuant to this commitment. This will strengthen liquidity and support working capital needs. Additionally, the company is negotiating injection of Rs. 1 billion as export-based working capital from banks. These measures are expected to boost revenue and profitability, enabling timely repayment of long-term loans. Additionally, U.S. tariffs on Chinese and Indian imports have made Pakistani textile exports more price-competitive in the American market. As U.S. buyers seek alternatives, including Pakistan—especially in home textiles. The company has significant capacity and well-positioned to take benefit. Major U.S. buyers have reportedly shown interest in Pakistani products. The management expect better marketing conditions in future.

The above mentioned actions such as, arrangement of proceeds for upcoming installment-payments and anticipated business improvement will help to overcome the financial and operational problems of the Company. Therefore, management is confident that the Company will be able to continue as a going concern.

- 1.4 These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.5 All the significant transactions and events that have affected the company's financial position and performance during the period have been appropriately disclosed in the respective notes.

2. BASIS FOR PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements are unaudited but subject to limited scope review by the auditor of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.1.3 These condensed interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2025.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2026 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2025.

2.3 Basis of measurement

These financial statements have been prepared under the "historical cost convention" except: -

- certain property, plant and equipment carried at valuation; and
- staff retirement gratuity carried at present value.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies information and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2025.

3.1 Estimates, judgments and risk management policies

- 3.1.1** The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the annual audited financial statements for the year ended June 30, 2025.

- 3.1.2** Risk management policies and procedures are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2025.

Un-audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
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4. Long term financing

Under markup agreements
From banking companies / financial institutions

Secured

Tier - I debt
Paid during the period / year

3,341,182,937	3,400,493,903
(149,397,958)	(59,310,966)
3,191,784,979	3,341,182,937

Tier - II Debt

4,744,899,864	4,744,899,864
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<u>7,936,684,843</u>	<u>8,086,082,801</u>
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Less : Current portion

Installments over due
Payable within one year

97,340,922	45,869,438
761,647,444	581,693,164
858,988,366	627,562,602
<u>7,077,696,477</u>	<u>7,458,520,199</u>

Associates

10,801,138	10,091,222
<u>7,088,497,615</u>	<u>7,468,611,421</u>

5. Short term bank borrowings

Secured

Under mark up arrangements
From banking companies
Export finances

<u>168,500,000</u>	<u>182,200,000</u>
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5.1 The financing facilities have been obtained to meet the working capital requirement as agreed under the scheme of arrangement (Refer Note 1.3). These are secured against first joint pari passu charge and ranking charge over current and fixed assets of the company, lien on export documents and by personal guarantee of existing sponsors / directors of the company. These are subject to mark up at the rates of two weeks to three month KIBOR plus 0.25% (2025: one month KIBOR plus 0.25% to 0.5%) and six month KIBOR (2025: six month KIBOR).

5.2 The effective rate of mark up charged during the period ranges from 11.07% to 18.91% per annum (2025:12.13% to 24.56% per annum).

6. CONTINGENCIES

There is no significant change in contingencies since the date of published audited financial statements for the year ended June 30, 2025 except the followings:

		Un-audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
Sales tax			
The company has filed an appeal before the Commissioner Inland Revenue (Appeals), Faisalabad against the order of ACIR, Regional tax office, Faisalabad dated 28-07-2025. Currently, the case is pending for adjudication before CIR (A). The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.		3,193,682	-
Others			
According to the Scheme of arrangement initial Tier-II debt markup (calculated at 3% of Tier-II debt) will be waived off, provided company makes no default in making the payments as agreed under scheme of arrangement.		610,516,922	539,343,424
Dividend for cumulative preference shares will be accumulated and payable in the ensuing years when the sufficient amount of profit will be available for appropriation.		515,238,325	503,713,055
		Un-audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
	Note		
7. Property, plant and equipment			
Operating assets	7.1	<u>8,870,927,198</u>	<u>8,932,371,161</u>
7.1 Operating assets			
Book value at beginning of period / year		8,932,371,161	9,076,879,986
Add: Addition during the period / year	7.1.1	16,949,153	36,579,582
Less: disposal during the period / year	7.1.2	(199,813)	(12,423)
Depreciation charge during the period / year		<u>(78,193,303)</u>	<u>(181,075,984)</u>
		<u>8,870,927,198</u>	<u>8,932,371,161</u>
7.1.1 Additions to operating assets, during the period / year were as follow:			
Plant and machinery		16,949,153	36,538,582
Electric installations		-	8,000
Factory equipment		-	5,000
Office equipment		-	28,000
		<u>16,949,153</u>	<u>36,579,582</u>
7.1.2 Disposals of operating assets, during the period / year were as follow:			
Vehicles			
Cost		1,278,520	1,269,030
Accumulated depreciation		<u>(1,078,707)</u>	<u>(1,256,607)</u>
		<u>199,813</u>	<u>12,423</u>

					Un-audited			
		Quarter ended December 31,		Half year ended December 31,				
		2025	2024	2025	2024			
Note		Rupees	Rupees	Rupees	Rupees			

8. Sales

Export							
Fabrics / made ups / garments		94,146,553	277,312,891	221,805,489	906,362,695		
Local							
Fabrics / made ups / garments	8.1	22,208,308	33,041,722	42,942,042	47,891,700		
		116,354,861	310,354,613	264,747,531	954,254,395		
Add: Export rebate / duty drawback		225,891	2,445,359	895,695	7,992,122		
		116,580,752	312,799,972	265,643,226	962,246,517		
Less:							
Commission		-	(1,542,439)	(1,286,995)	(23,212,883)		
Discount		-	(9,383,004)	(2,145,743)	(12,456,347)		
		-	(10,925,443)	(3,432,738)	(35,669,230)		
		116,580,752	301,874,529	262,210,488	926,577,287		
Processing and conversion income	8.2	282,846,447	206,513,095	584,922,549	499,055,768		
		399,427,199	508,387,624	847,133,037	1,425,633,055		

8.1 Local

Fabrics / made ups / garments		26,712,767	38,989,232	51,531,325	56,512,206		
Less: Sales tax		4,504,459	5,947,510	8,589,283	8,620,506		
		22,208,308	33,041,722	42,942,042	47,891,700		

8.2 Processing and conversion income

Sales		333,758,807	243,685,452	690,208,608	588,885,806		
Less: Sales tax		50,912,360	37,172,357	105,286,059	89,830,038		
		282,846,447	206,513,095	584,922,549	499,055,768		

9. Cost of sales

Cost of goods manufactured	9.1	467,823,882	548,501,072	933,218,704	1,432,593,434		
Finished goods							
Opening stock		32,192,672	42,195,824	48,635,171	62,725,567		
Closing stock		(62,718,833)	(40,160,241)	(62,718,833)	(40,160,241)		
		(30,526,161)	2,035,583	(14,083,662)	22,565,326		
		437,297,721	550,536,655	919,135,042	1,455,158,760		

Un-audited					
		Quarter ended December 31,		Half year ended December 31,	
		2025	2024	2025	2024
Note		Rupees	Rupees	Rupees	Rupees
9.1 Cost of goods manufactured					
	Raw material consumed	48,533,125	193,145,508	156,724,375	504,649,385
	Salaries, wages and benefits	68,942,856	89,496,770	136,839,025	211,491,709
	Staff retirement benefits	4,445,536	7,611,602	6,044,147	9,339,838
	Processing charges	5,557,995	18,218,204	10,922,757	43,813,843
	Conversion charges	-	1,581,650	-	9,243,843
	Stores and spares	34,319,261	17,053,861	43,403,569	37,721,519
	Dyes and chemicals	80,764,814	69,598,265	169,177,692	160,191,945
	Packing material	17,548,307	18,072,295	34,778,962	58,211,145
	Repairs and maintenance	982,365	1,759,683	1,089,865	2,730,156
	Fuel and power	119,155,325	96,441,625	260,011,087	329,064,924
	Insurance	4,151,236	4,165,727	8,324,973	8,331,397
	Depreciation	26,559,525	34,280,524	59,271,834	67,835,477
	Other	1,506,195	769,209	2,498,388	1,564,571
		<u>412,466,540</u>	<u>552,194,923</u>	<u>889,086,673</u>	<u>1,444,189,752</u>
	Work in process				
	Opening stock	<u>104,870,113</u>	<u>177,471,388</u>	<u>93,644,802</u>	<u>169,568,921</u>
	Closing stock	<u>(49,512,771)</u>	<u>(181,165,239)</u>	<u>(49,512,771)</u>	<u>(181,165,239)</u>
		<u>55,357,342</u>	<u>(3,693,851)</u>	<u>44,132,031</u>	<u>(11,596,318)</u>
		<u>467,823,882</u>	<u>548,501,072</u>	<u>933,218,704</u>	<u>1,432,593,434</u>

9.1.1 Raw material consumed

Opening stock	27,461,391	26,034,173	30,165,692	18,645,973
Purchases including purchase expenses	34,949,704	186,043,277	140,436,653	504,935,354
	62,411,095	212,077,450	170,602,345	523,581,327
Closing stock	(13,877,970)	(18,931,942)	(13,877,970)	(18,931,942)
	<u>48,533,125</u>	<u>193,145,508</u>	<u>156,724,375</u>	<u>504,649,385</u>

10. Other income

Income from assets other than financial assets:

Sale of waste material	145,717	164,682	875,285	2,770,606
Rental income	10,866,267	5,932,689	19,369,337	11,865,378
Gain on sale of operating assets	1,400,188	-	1,400,188	907,577
Balances written back-net	5,767,344	49,530,094	5,767,344	114,139,279
Fair value adjustment of deferred revenue	354,958	354,876	709,916	622,352
	<u>18,534,474</u>	<u>55,982,341</u>	<u>28,122,070</u>	<u>130,305,192</u>

11. Finance cost

Interest / mark up on:

Long term financing Tier-I debt	41,292,267	42,355,445	82,939,083	84,995,950
Short term bank borrowings	1,747,590	10,795,709	10,799,546	22,728,859
Bank charges and commission	664,363	2,267,202	3,879,843	5,696,364
Fair value adjustment of loan from associates	354,958	354,876	709,916	622,352
	<u>44,059,178</u>	<u>55,773,232</u>	<u>98,328,388</u>	<u>114,043,525</u>

	Un-audited			
	Quarter ended December 31,		Half year ended December 31,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Minimum tax differential	3,609,405	2,349,408	10,631,817	6,836,843
Final tax	-	5,701,527	-	11,800,055
	<u>3,609,405</u>	<u>8,050,935</u>	<u>10,631,817</u>	<u>18,636,898</u>

12. Levies

Current				
For the period	4,269,002	-	4,269,002	-
For prior year	(3,481,720)	1,559,194	(3,481,720)	1,559,194
	<u>787,282</u>	<u>1,559,194</u>	<u>787,282</u>	<u>1,559,194</u>

14. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertaking, directors and key management personnel. Significant transactions with related parties are as follows:-

Name of the related party/Relationship	Nature of transaction	Un-Audited December 31, 2025 Rupees	Un-Audited December 31, 2024 Rupees
Key management personnel	Remuneration	30,104,109	54,931,277
Muhammad Naeem (Director)	Loan obtained	129,671,000	-

Un-audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
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15. SHARIAH COMPLIANCE STATUS DISCLOSURE

Disclosures in relation to the condensed interim statement of financial position - Liability

Long term financing as per Islamic mode	-	-
Short term financing as per Islamic mode	-	-
Accrued mark-up on conventional loans	831,446,366	748,451,913

Disclosures in relation to the condensed interim statement of financial position - Assets

Bank balance that are Shariah compliant	384	384
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	Note	Un-audited	
		Half year ended December 31, 2025 Rupees	2024 Rupees
Disclosures in relation to the condensed interim statement of profit or loss			
1. Revenue earned from shariah compliant business	8	847,133,037	1,425,633,055
2. Source and detailed breakup of other income			
Earned from shariah compliant transactions			
Sale of waste material	10	875,285	2,770,606
Rental income	10	19,369,337	11,865,378
Gain on sale of operating assets	10	1,400,188	907,577
Earned from non-shariah compliant transactions			
Balances written back-net	10	5,767,344	114,139,279
Fair value adjustment of deferred revenue	10	709,916	622,352

Relationship with Shariah-compliant financial institutions

- Islamic bank

Name of institution

Al Baraka Bank (Pakistan) Limited

Relationship with institution

Bank balance

- Takaful operator

The company has obtained a takaful policy from Askari Family Takaful.

16. Overdue loans and mark up

Under Scheme of Arrangement the past markup has been waived off under each lender agreement subject to the condition that company makes no default in making payment of Principal and markup agreed under the arrangement as described below:

The mark-up on the Tier 1 Debt is 5% per annum and started accruing from the Effective Date (September 14, 2021).

The mark-up on Tier 2 Debt shall be 3% per annum. The Initial Tier 2 Debt Mark-Up is started accruing from the Effective Date and such accrual shall end on the earlier of (i) the date on which the Tier 1 Debt is repaid, and (ii) the date by which the Tier 1 Debt is required to be repaid.

Thereafter, the mark-up on Tier 2 Debt shall accrue at 5% per annum.

Both Tier-1 Debt markup and subsequent Tier-2 Debt markup shall be paid within 03 years after the earlier of (i) the date on which the Tier 1 Debt and tier-2 Debt is repaid, and (ii) the date by which the Tier 1 Debt and Tier-2 Debt is required to be repaid.

The Lenders shall have the sole discretion to revise the quantum and applicability of the Tier 1 Debt Mark-Up, the Initial Tier 2 Debt Mark-Up, and the Subsequent Tier 2 Debt Mark-Up.

The Past Mark-up upto the Effective Date (i.e: September 14, 2021) shall be calculated by aggregating:

- (a) Mark-up accrued but not paid under each Lenders' financing agreements as per the rate of mark-up under such financing agreement until the date of default; and,
- (b) (from the date of default under each financing agreement up to the Effective Date) mark-up equal to the cost of funds on the outstanding principal amount under each financing agreement at the rate of the cost of funds of the relevant Lender for each financing agreement.

16.1 Overdue Installments

On the reporting date, the installments of principals amounting to Rs. 97.34 million (June 30, 2025: 45.87 million) were over due. The installments are not paid subsequently.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **27-02-2026** by the Board of Directors of the Company.

18. GENERAL

18.1 There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.

18.2 The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in these financial statements.

18.3 The provision for staff retirement gratuity and taxation made in these condensed interim financial statements is subject to adjustment in the annual financial statements.

18.4 Figures have been rounded off to the nearest Rupee except where mentioned otherwise.

18.5 Nomenclature of "Short term borrowings" has been changed to "Short term bank borrowings" for better presentation.

18.6 Nomenclature of "Stores, spares and loose tools" has been changed to "Stores and spares" for better presentation.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

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